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ELEMENTS
OF A
PLAN FOR THE LIQUIDATION
OF THE
Public Debt
OF THE
UNITED KINGDOM.



THE FIFTH EDITION,
WITH SUPPLEMENTARY OBSERVATIONS.

1878

ELEMENTS
OF A
PLAN FOR THE LIQUIDATION
OF THE
Public Debt
OF THE
UNITED KINGDOM;

BEING THE
DRAUGHT OF A DECLARATION,
SUBMITTED TO THE ATTENTION
OF THE
LANDED, FUNDED,
AND EVERY OTHER
DESCRIPTION OF PROPRIETOR,
OF THE
UNITED KINGDOM.
WITH AN INTRODUCTORY ADDRESS.

BY RICHARD HEATHFIELD, GENT.

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INTRODUCTORY ADDRESS.

WHATEVER may be the difference of opinion, as to the causes and motives of the late war, it is evident that the British nation retires from the contest, with the advantage of great increase in all the means of political power.

In agricultural and cultivated surface, the increase is very considerable; in the British American Colonies, in the Antilles, in Asia, in the south of Africa and in the British Isles, the augmentation of territory, of population and of production, constitute great accessions of power.

In manufactures, generally, the ability of the United Kingdom to maintain successful competition, throughout the world, is demon-

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strated; the British warehouse is the resort of all nations for clothing, in most of the varieties required by the convenience and taste of each the increase of demand on British Industry, exerted in the useful arts, is indisputable.

And so happy is the distribution of these several interests, so fortunate the relation of the several parts to each other, so harmonious the whole, as to produce, necessarily, a mighty arm, for protection and defence, in the marine, by which the intercourse, for the exchange of the natural and artificial productions of each, is conducted.

The effect of this harmonious and powerful combination, has been experienced, in the invincible fleets and armies of Great Britain, in the unexampled expenditure by which those fleets and armies have been maintained.

How, then, does it happen, that the increase of public happiness, is not only, not co-extensive with the increase of power in the body politic, but, is to be contemplated, as declining in the inverse ratio of that increase? That power in the whole, is suffering and sorrow in the individual?

The causes of the anomaly may be reduced to three general heads, namely,

The System of the Public Debt.

A Population, exceeding the actual demand for labour.

Education, as respects all classes of the community.

Of these important subjects, the first mentioned, only, is intended for present consideration, because, relief from the burthen of the public debt, appears to be indispensable to the successful institution of corrective or remedial measures, with reference to all departments of social life.

Industry is the vital principle of property; abstracted from labour, the land, the spindle and the loom, are alike inert and unproductive: *a free course to honest exertion, and protection and compensation to the industrious, are, therefore, first principles in the social compact.* A public debt, whatever the circumstances in which it may originate, bears adversely upon those principles: the duties and taxes, inseparable from a public debt, enhance the price of all productions, particularly the price of agricultural produce; the market for the productions of labour, and particularly of agricultural labour, is, consequently, circumscribed; the course of industry is checked.

The enhanced price of food, and of all necessities of life, disturbs the relation between the rate of labour and the price of subsistence, and places at hazard the compensation due to the active and industrious classes of the community. *The charge of interest for loans of money ought, therefore, never to be incurred by the state,—or, if necessary, as the alternative from a greater evil, should, with the least possible delay, be removed, by the fair and honest discharge of the principal debt.*

Great Britain has so long been accustomed to a national debt, so many conveniences actually do result and so many advantages appear to result, from her system of public debt, as to render the approach to the question of final and complete liquidation, anxious, and not unmixed with the apprehension of the charge of temerity. The British system of public annuities is sanctioned by time, is recommended by the facilities which it accords to the annuitant, and is familiarised by use.

But, if the positions now advanced, be true generally, they are true, more especially, with regard to Great Britain; for, abstracted from the active disposition and industrious habits of her people, her empire is only a name: the sanction of a limited period of time,

cannot alter the inherent character of things; if, for upwards of a century, a system of public annuities has been recognized and acted upon by the Government, necessity has ever been the plea for calling into action a measure always held to be objectionable; and experience cannot be urged in favour of the attempt to support and continue, the recent extension of the system: the convenience of individuals, is not to be indulged to the prejudice of the best interests of the community, and the *apparent advantages* will be seen, as the illusions of the fancy, *if* the system *be* at variance with the first principles of society, *if* the labourer *be* deprived of his fair reward, if, in consequence, the good order and well being of the state, be fearfully borne upon and interrupted.

The public debt of Great Britain, is, for the most part, concocted on peculiar principles, principles which can only be justified by necessity, and severe, indeed, must be the necessity which can justify their application.

It is not lawful, between individuals, to condition for the payment of interest, and, also, for further compensation, by an addition to the principal sum advanced, on re-payment of the loan; a contract of such description, between individuals, would be held to be re-

pugnant to fair and honest principle; would disgrace the lender, and injure, if not destroy, the credit of the borrower.—What, however, is conditioned, what undertaken in a British loan? An examination of the three per cent. annuities will lead to sufficient explanation.

In a bargain between the public and the loan contractor, under which a three per cent. annuity is created, it is conditioned, that in consideration of the advance or payment of a sum of money, ordinarily varying between fifty-five and sixty-five pounds, a transferable annuity shall be granted, of three pounds; provision not being made, for the redemption of the annuity, for any less consideration than the amount of Stock created or raised in favour of the annuitant, upon the grant of the annuity, namely, one hundred pounds; and, as it may be convenient to the annuitant, to sell the annuity, without awaiting the chance of a forced redemption, the Government becomes bound to carry, periodically, into the public market, to purchase public annuities, sums of money, progressively increasing with the progressive amount of the annuities, actually, from time to time, bought up: under the arrangements for this purpose, the amount applicable to the reduction of the debt of the United Kingdom for the year ended 5th January, 1819,

was fifteen millions six hundred and twenty thousand five hundred and three pounds, seventeen shillings, and five pence half-penny*.

One effect relied upon from this plan, is the excitement of confidence on the part of the lender, and undoubtedly, the calculation is encouraging ; he is assured of five per cent. interest or thereabouts, on the capital advanced, he has before him the calculation of the effect of the government demand, in the market for public annuities ; he buys an annuity for which the grantor assures to him a market, for the grantor binds himself to become the chief buyer therein ; and he entitles himself to receive one hundred pounds for every sixty pounds advanced, (taking sixty pounds for the average) should his annuity be cancelled, compulsorily.

The disadvantages of these terms are heavy and severe towards the public. The legislature binds the public to pay the annuity which the government has granted, so long as held by the public annuitant ; when no longer so held, when redeemed, in virtue of the contract with the annuitant, the amount of the annuity is still required from the public, and for what purpose ? to be carried into the market for public annuities, to assure to the

* House of Commons Reports.—The public accounts, cited throughout, are the accounts to the 5th January, 1819.

holders, so far as extensive, constant, and obligatory, purchases, can assure, an advantageous price for such annuities.

It is to be admitted, that the ulterior object, proposed, or spoken of, is the redemption of the whole of the public annuities; but, in the face of the advance in the price of the annuities, incident to the present system of purchase by the government; in the face of the frequent creation of annuities, in the face of the too probable calculation of the return to a state of war, is such a result to be expected? *The idea of the public debt being effectually redeemed, by means of the present system, cannot be gravely entertained, by any person possessing ordinary powers of reflection.*

This is an awful conclusion; a conclusion in which the country cannot rest; an alternative is to be sought, and the final object of these reflections is to point to that alternative; it will not, however, be improper, previously, to state some of the consequences, which actually flow from the public debt.

By the direct and indirect effect of duties and taxes, the difficulty of procuring individual support, by plain and simple exertion, has been greatly increased.

By the unrestricted issue of paper by the Bank of England, by means of the peculiar circulation of the currency, occasioned by the

immense collection and re-issues, by the Government; the facility to speculative pursuits has been greatly increased.

By the example of persons, successfully engaged in speculative dealing in the public annuities, a similar spirit has been excited and carried into the pursuits of trade, to an unparalleled extent.

The encouragement of patient labour and exertion, has, consequently, declined; the disgrace of pauperism and insolvency has, *therefore*, diminished: The operations of trade have taken a turn decidedly speculative; regular profits from trade, are, *therefore*, comparatively, seldom realized. What greater evil can befall a commercial community? The indisposition to honest and patient labour, and the disposition to pursuits merely speculative, when carried to an extreme, comprehend the dissolution of the moral character of trade,—that is, in a trading country, the moral character of the community.

The agricultural difficulties of the country, have been rendered plainly intelligible, by parliamentary discussion; they are every where felt, and the Statute Book declares, that the people of the United Kingdom, must not expect, under the present system, at any definable period, to eat cheap bread; and yet, notwithstanding this admitted state of difficulty, this

kingdom, on the supposition of relief from the proportion of the duties and taxes, incident to the public debt, might be expected to grow corn, at a rate of price sufficiently low, to meet the flour of North America, in the markets of the south of Europe: that measure of relief being supposed, the great capital of this country, the laborious habits of the people, the skill and management of the British farmer, the proximity to the markets of Spain and Portugal, would, probably, admit a liberal return of rent to the landed proprietor, and, of sufficient reduction of price to maintain competition in those markets: it is not intended to be advanced, that the United Kingdom could grow more than sufficient, or even sufficient, grain, for the national consumption; the suggestion embraces, simply, the conception, that, in the case supposed, the rate of price would be such, as to assure to the grower, a foreign market for grain, in the event of a surplus quantity being produced, and, consequently, would encourage, in the highest degree, the investment of capital in the cultivation of the soil: whether *that* extent of consequence, would or would not, result, it is unquestionable, that under the supposed relief from impost, the people would be cheaply fed, and that great and powerful impulse to the agriculture of the United Kingdom, would be experienced.

The same remission of duties and taxes, although not calculated to affect the demand for manufactures, in a similar degree, would greatly augment that demand; the United Kingdom *is*, undoubtedly, the general resort of nations, for the productions of the loom and of the anvil; most descriptions of British manufacture *are* produced at prices, which render the labour of the manufacturer a blessing to mankind; but it is, notwithstanding, clear, that an increase in domestic agriculture would cause an increase of consumption in manufactures at home, and that reduction in price, and, consequently, extension of market abroad, would ensue, from the supposed reduction of impost: in many leading particulars, the Statute Book, to the very letter, is at variance with the first principles of political economy; the duties which are imposed on the material of many branches of manufacture, may be instanced; namely, the duty on silk, hemp, flax, cotton-wool, foreign sheep's wool, indigo, and on most of the importations of materials for dying, printing piece goods, and other process of manufacture: partially corrected, indeed, by drawbacks and bounties, but still, weighing, sensibly, against the demand for British manufactures.

Many of the trading and fiscal laws of Great Britain are the growth of times of dis-

tressing emergency; those laws and regulations, to great extent, when enacted, were allowed to be objectionable, were adopted as the lesser of conflicting evils, and it would be presumptuous to assert, that measures less onerous, under the circumstances, could have been devised: that consideration, is not, however, now to be entertained; it is plain, that the British system of public annuities is objectionable, in principle, and it is indisputable, that great inconvenience and distress proceed from its actual operation.

It is, therefore, to be considered, whether, the immediate, partial, relief, and the eventual, entire, relief, of the British nation, from the burthen of a Public Debt, upon the basis of a general contribution in respect of property, including the amount of stock, created in favour of the public creditor, and the amount of all other public securities, (not being the property of ex-resident Foreigners) can be rendered practicable and safe?

It is difficult to estimate the private property in the United Kingdom, with the accuracy to be desired. By the statement published by Dr. Colquhoun, which Dr. Colquhoun denominates, "An Attempt" to estimate the property in Great Britain and Ireland, (1812)

the amount of private property, in the United Kingdom, is represented to be, two thousand six hundred and forty-seven millions, six hundred and forty thousand pounds: in that statement, the cultivated lands, constitute one half, nearly, of the whole sum; the cultivated lands, in England and Wales, being estimated at something more than £24 per acre: this is a moderate rate of estimate, the other particulars are evidently the fruit of much labour and research, and upon an attentive examination of the statement, taking into view the authorities which are cited in its support, there does not appear to be any reason to question the propriety, for the present purpose, of considering the private property in the United Kingdom *under-rated* at the sum of TWO THOUSAND FIVE HUNDRED MILLIONS, which is one hundred and forty-seven millions, six hundred and forty thousand pounds less than Dr. Colquhoun's estimate*.

* Colquhoun on the Wealth, Power, and Resources of the British Empire. 2d Edit. p. 55.

The public obligations, in respect of the national debt, separate into four divisions; namely,

	Principal, or Numerical Amount of Debt.				Interest and Charges of Management of Debt.			
The Sinking Fund, as to which it has already been shewn, that the sum applicable to the reduction of the debt for the year ended 5th January, 1819, was	.	.	.	.	15,620,503	17	5½	
Equal at 5 per cent. to the principal sum of	.	.	.	.	312,410,077	9	2	
The Funded Debt,	.	.	.	.	797,401,119	0	10¼	
The Unfunded Debt, taking for the average of the year, the amount on 5th January, 1819, and taking the interest at 4 per cent.	.	.	.	.	51,992,095	14	2¾	
Annuities for lives or for terms of years,	.	.	.	.	.	.	.	
	.	.	.	.	2,028,612	18	3½	
	£1,161,803,292	4	3		£47,859,987	15	11½*	
Being								

* For the advantage of simplicity in treating the subject, regard is not had to the partial deviation from the principle of the Sinking Fund, which has been made in aid of the supplies for the present year (1819.)

Being a charge of forty-seven millions eight hundred and fifty-nine thousand nine hundred and eighty-seven pounds, fifteen shillings, and eleven pence half-penny, (not including the heavy charges of collection) in respect of a principal sum of one thousand one hundred and sixty-one millions eight hundred and three thousand two hundred and ninety-two pounds four shillings and three pence, and annuities for lives or for terms of years, in respect of which a principal sum of debt does not appear.

The Sinking Fund, as to which the first mentioned charge of £15,620,503 17s. 5½d. has arisen, is required with reference to the Funded and Unfunded Debt, only; if the debt were provided for by other means, the demand on the public, in that respect, would cease and determine.

To provide for the liquidation of the funded and unfunded debt, it is proposed, first,

That;—

All private property in the United Kingdom, including all claims on the Government, in respect of money lent and advanced, (not being the property of ex-resident Foreigners) be declared, by the legislature, liable and subject to a contribution of fifteen per cent.

By which measure, taking

The Private Property, at	-	-	£2,500,000,000	0	0
The Funded Debt,					
at	-	-	797,401,119	0	10 $\frac{1}{4}$
Allow for claims					
of ex-resident					
Foreigners	15,000,000	0	0		
				782,401,119	0 10 $\frac{1}{4}$
The Unfunded Debt, at	-	-		51,992,095	14 2 $\frac{1}{4}$
			Total	£3,334,393,214	15 1
Specific provision would be made for the Reduc-					
tion of the Principal of Debt			£500,158,982	4	2
Principal of Debt, totals,					
Funded	£797,401,119	0	10 $\frac{1}{4}$		
Unfunded	51,992,095	14	2 $\frac{1}{4}$		
				849,393,214	15 1
Leaving	.	.	.	£349,231,232	10 11

to be provided from the following means and resources.

If a clear and decided intention were manifested by the legislature to liquidate the national debt, on the basis proposed, it is anticipated that government stock, of every description, would advance to 100*. Sums of money,

* Unless, upon a liberal and comprehensive view of the relative rights and interests of the funded and other proprietor, a lower maximum should be concluded upon, in respect of the 3 per cent. and other Stock below 5 per cent.; a consideration which it is not deemed necessary or becoming, to entertain, in these pages: the argument and the calculations proceed upon the basis of 100 for all Stock; the view, the least favourable, to the liquidation of the debt.

varying from small to great, are in daily course of accumulation in the United Kingdom, as well by public bodies as by individuals, which are the constant subject of investment : in the contemplated event of the advance of all government stock to 100, a considerable proportion of such monies, would be tendered to the British Government, without the intervention of third parties (as in the instance of a contract for a general loan) and without the creation of a principal debt, exceeding the principal sum advanced, to be secured by transferable debentures, or otherwise, at an interest of three pounds per annum for the one hundred pounds advanced ; which would equal the produce of the same sum, if laid out in the purchase of 3 per cent. stock, at 100. It will be admitted, that the security of the British Government for the payment of the interest of money, is desirable : if that security be not found in the public market, it will be sought at the hand of the Government : the conditions of a loan, if money be not required, in given sums, at stated times ; if accepted, at a moment of convenience to the lender, will be prescribed by the borrower, by the Government, and not by the lender ; and it is as clear as any prospective view of the nature of the question under consideration can be, that in the event of the measure now proposed being adopted, the facilities for the payment of

the portion of the public debt, not otherwise provided for, arising from new and proffered loans of money, at a moderate rate of interest, would be very considerable.

It is proposed, that all monies, so lent, shall be applied in discharge of the principal of the present debt; a fresh debt, will, indeed, thus, be created, but, without the obligation to continue the present Sinking Fund, and not exceeding the amount of the principal of debt, not otherwise provided for.

Other means and resources, with reference to the reduction, either of the capital of the original debt, or of the supposed newly created debt, are presented for consideration, namely :

The contribution to be made in respect of British Colonial, and Asiatic property, so far as the same can be brought under the cognizance of the British legislature by an income tax, in respect thereof or otherwise.

A contribution in respect of property *to be* acquired within the United Kingdom, after the date of the first general assessment, that is to say, an income tax on all clear nett income, *after the deduction of expenditure of every description.*

The surplus of taxes, which may be so regulated as to amount to a considerable sum, without preventing the large and liberal relief, immediately required.

The amount of stock which may for ever remain unclaimed.

The contribution of 15 per cent on the probable greater amount of property, within the United Kingdom, than the sum of 2,500 millions, already mentioned.

The examination in detail, of these latter particulars will not, now, be deemed necessary: it must be obvious, that, in combination, they present the means of completing the liquidation of the public debt; opinion may vary as to the expediency of exerting all those means; opinion may vary as to the selection of the means, if the whole be not exerted; but it is not questionable, that the means suggested, would be fully equal to the purpose of liquidating the debt, not otherwise provided for, taking the amount at 350 millions.

The following are the operative means, by which it is conceived, that the contribution or levy of 15 per cent. on the property actually within the kingdom, may be rendered practicable and safe: it would not be prudent, if practicable, to carry the whole into effect, as respects the levy of money, at one moment of time, and the modes to be proposed, embrace considerations, which not only guard against that inconvenience, but, which, it is presumed,

will exhibit the whole measure in a more advantageous point of view than may have been anticipated.

In respect of the stock-holder, annuitant for lives or for terms of years, and creditor on unfunded government securities, no more would be necessary, than the abatement of 15 per cent. from the capital stock or numerical amount of the claim of each individual, and the like reduction of annuity or interest.

In respect of persons liable and subject to assessment on landed or other property, *such persons being also public creditors*, the cancelling of stock or other debt, to an amount equal to the sum of their respective assessments, would satisfy the demand upon each.

In respect of persons liable and subject to an assessment on landed or other property, such persons not enjoying the facility mentioned in the preceding paragraph, the levy of the contribution must be accommodated to the respective circumstances of the several parties.

With regard to many, facilities would undoubtedly be presented, by floating balances, by monies invested in foreign funds, by monies lent on mortgage, by the early and convenient sale of property and by other means.

But it must, necessarily, happen, that a large amount, in the aggregate, would be required from persons, not possessing any other property

than the immediate subject of the assessment :
such persons may be classed thus ;

1st Class.—Proprietors of Lands, Dwelling-
Houses, Mines, and Canals.

2d Class.—Manufacturers, Ship Owners, Mer-
chants, Traders, Farmers, and
others.

It is suggested ;

That the term of ten years might be allowed to the first class, for the payment of the principal sum to be assessed ; interest to be payable in the mean time, on the principal unpaid, at the rate of 5 per cent. per annum, by half yearly payments ; or, if the principal sum remain unpaid after the expiration of ten years, the rate of interest to be increased to 6 per cent. until the principal be paid*.

That the assessment on the latter class, should be payable by equal instalments in each of the first five following years ; in the mean time, interest to be payable on the principal sum assessed, at the like rate of 5 per cent., by half yearly payments ; discretionary powers being vested in commissioners to extend the time of payment of the principal sum, but not in any case to exceed the term of ten years.

* In effect, a redeemable Property Tax.

It will be objected ;

That the discharge of the national debt would occasion a redundant capital.

That the circulation of the amount of the half-yearly dividends on stock is favourable, nay essential, to the prosperity of the country.

That the inquisition into the estate and property of every individual is objectionable, in principle, and would be inconvenient, in practice.

That the advance of all government stock to 100 would give an advantage to the stockholder, more than equivalent to the sum of his contribution of 15 per cent. ; that he would derive a direct benefit, instead of bearing the burthen of the assessment, in common with the landed proprietor and commercial capitalist.

That the want of the security of the Government would be severely felt, by the aged, the infirm, the minor ; by corporate and other public bodies, by charitable institutions and by commercial capitalists.

These objections, are, severally, of apparent weight, and it is not possible, in an imperfect state of society, to devise any comprehensive range of action, wholly free from difficulty ; it is, however, conceived, that each particular, objected, will admit a satisfactory answer.

Capital cannot be, directly, either increased or diminished by the liquidation of the public

debt, by the means proposed: the stock-holder, or *public annuitant*, as such, is not a capitalist.

The discontinuance of the sinking fund, would only render unnecessary the *levy* and repayment by the Government, of a sum of money equal to the amount of that fund.

The reduction of demand on the nation by the public annuitant, would, in like manner, only render unnecessary the *levy* and repayment of a sum of money equal to such reduction.

The proportion of the payment to be made by the landed and other proprietor, in money, would pass through the *Exchequer* to the stock-holder, who would become the buyer or mortgagee of land or other property, to the same extent, as the proprietor, to pay his contribution, might become the seller or mortgager; money must circulate for this purpose, but there would not be any increase of capital.

There could not, in either case, be any increase or diminution of capital: whether more or less amount of money be passed through the Exchequer, the sum of capital remains the same. The real effect, would, indeed, be the reverse of that which is supposed in the objection; the relief which the country would experience under an extensive remission of duties and taxes, would cause activity to capital, and consequently, would, in the first instance, tend to the want, rather than the superabundance of capital.

The question of the half-yearly dividends, turns upon a similar consideration; *the means of those payments are first derived from the public.* In the instance of a village, containing fifty heads of families, who may contribute directly and indirectly to those issues, at the rate of 5*l.* per annum, each; if not so called upon, each individual (supposing the rate of wages to be the same) would find at his disposal, five pounds, yearly, more than he now commands, which he would expend within his own sphere, and would thus be the instrument of a better circulation, for all social and political purposes, than can be produced by any other means; so with respect to all other classes of society. *The instrumentality of the tax-gatherer, cannot be necessary to the healthy circulation of the body politic.*

The inconvenience incident to an inquisition into the estate and property of every individual, is, undoubtedly, very considerable, and for any inferior purpose ought not to be proposed: the purpose in question, is, however, of the deepest concern to all who feel the value of social existence; distress and danger press, and if the measures now brought into view, comprehend the means of extensive relief, of what comparative weight is the inconvenience objected?

It is admitted that the stock-holder would enjoy an apparent advantage, as objected: three

per cent. stock, under the influence of the measure recommended, would advance to 100; the contribution of the stock-holder being only 15 per cent. he would receive 85*l.* for what would, *now*, in the market, produce only 70*l.*; upon the reinvestment of his money on government security, at 3 per cent. he would, however, receive but 2*l.* 11*s.* per ann. say 3 per cent. on 85*l.* instead of 100*l.*: his income would be reduced 15 per cent. and, in that way, an equality with the situation of the landed proprietor would be produced:* if indeed, the capital should not again be advanced on government security, or when finally paid off, the stock-holder would obtain an advantage, but not more than he would have obtained in the market, as now constituted, whenever any considerable reduction in the quantity of stock should have been effected; and it will not be contended, that the nation, is, for ever, to be oppressed with debt, to prevent the stock-holder from obtaining 100*l.* for the 100*l.* which

* It may fairly be presumed that the Accountant General, most or all the corporate and other public bodies, and charitable institutions, the generality of trustees, and many individuals, on their own account, would avail themselves of an opportunity of re-investing the amount of stock held by them or in their names, on government security, if paid off, and the opportunity were presented.

the books of the Bank of England, record in his name. The objection applies rather to the principle on which the stock has been created, than to the principle on which it is proposed that it be redeemed.

It is also admitted that inconvenience would ensue to various establishments and classes of persons, if the Government were, at any time, wholly to decline all guarantee of interest for money, and it is not, now, necessary to determine, definitively, whether, after the liquidation of the amount of the present debt, such guarantee should again, in any or what degree, and under what circumstances, be accorded or not; the incompatibility of such engagements, with first principles, has been shewn*, and in any event, it would be grateful to the country, to find her security the object of solicitude, and that the lender of money, on the security of the British Nation, no longer considered himself entitled to the terms of singular advantage which he has hitherto enjoyed.

The immediate effect of the measures proposed may be considered as represented in the following table.

The Public obligations in respect of the national debt, have been stated, page 14, as follows:—

The Public Obligations in respect of the national debt, have been stated, page 14, as follows:—										Principal.			Interest and Annuities for Lives or for Terms of Years, including Charges of Management.		
										£.	s.	d.	£.	s.	d.
Sinking Fund	.	.	.	.	.	.	.	.	.	312,410,077	9	2	15,620,503	17	5½
Funded Debt	.	.	.	.	.	.	.	.	.	797,401,119	0	10½	28,131,187	3	7½
Unfunded Debt	.	.	.	.	.	.	.	.	.	51,992,095	14	2½	2,079,683	16	7½
Annuities for Lives or for Terms of Years	.	.	.	.	.	.	.	.	.				2,028,612	18	3½
										1161,803,292	4	3	47,859,987	15	11½
Immediate Reduction.															
										Principal.	s.	d.	Interest, &c.	s.	d.
										£.			£.		
The whole of the Sinking Fund										312,410,077	9	2	15,620,503	17	5½
Funded Debt, amount	797,401,119	0	10½	28,131,187	3	7½									
Allow for claims of ex-resident Foreigners	15,000,000	0	0	529,178	17	0½									
Fifteen per cent. on £782,401,119	0	10½	27,602,008	6	6¼	117,360,167	17	1	4,140,301	4	11				
Fifteen per cent. on Unfunded Debt						7,798,814	7	1	311,952	11	6	437,569,059	13	4	20,072,757
The Debt and Interest would immediately be simplified and reduced to												724,234,232	10	11	27,787,230
The application of the Assessment on the property estimated at 2500 millions would also be immediate, in relief of the industry and exertion of the country, and the principal sum of the Assessment being collected, the principal of the Debt would be reduced by the sum of												375,000,000	0	0	
Until collected, the Interest thereon at 5 per cent. per annum, payable by the several parties assessed, and applicable to the satisfaction of Interest payable to the stock-holder, would amount to															18,750,000
Leaving to be provided for to complete the liquidation of the debt, the principal sum of												349,234,232	10	11	
Or for Interest, and Annuities for lives and for terms of years, and charges of management, the sum of															9,037,230

It is to be observed on the above statement, that the sum remaining to be paid in respect of Interest would vary*; so long as the whole sum of 375 millions remained unpaid, the sum of £9,037,230 2s. 1d. would be correct; on the extreme supposition to the contrary, namely, that the whole sum of 375 millions were to be paid immediately, the sum for Interest and Annuities for lives and for terms of years, would be as follows:

Interest on £349,234,232 10s. 11d., taking the average rate of the Interest	£12,421,107	0	3½
Annuities for lives or for terms of years	2,028,612	18	3½
	14,449,719	18	7

In the event, the amount would vary between the two extremes, that is between £9,037,230 2s. 1d. and £14,449,719 18s. 7d. and may be taken at 13 millions.

* The Interest for which Taxes must, for a time, be provided, would increase on the satisfaction or payment of the principal sum of the contribution, because so much of the contribution as would operate to the reduction of 3 per cent. 3½ per cent. or 4 per cent. stock, would prevent an annual demand on an equal amount of principal at 5 per cent.; an individual being assessed in respect of landed or other property, of the value of one million, would be required on that account to pay £150,000, which at 5 per cent. per annum, would amount to £7,500 per annum, if the same individual possessed 3 per cent. stock to the same amount, the income therefrom would be £45,000 only, but by cancelling his stock, he would be relieved from the annual payment of £7,500—this consideration would accelerate the liquidation of the debt, but it would, in its operation, increase, proportionally, the sum of £9,037,230 2s. 1d. above mentioned. The same effect would follow on the redemption of 3 per cent. 3½ per cent. and 4 per cent. stock, by means of the application of monies received at the Exchequer for that purpose.

For the present purpose, the principal sum of funded and unfunded debt, remaining to be provided for, after the cessation of the sinking fund, and the application of the principle of a contribution of fifteen per cent. to the funded and unfunded debt, and to the private property in the United Kingdom; may be taken at three hundred and fifty millions, and the interest thereon and annuities for lives or for terms of years, at thirteen millions nett, as represented in the preceding table.

The means and resources for the liquidation of the principal sum of 350 millions have not been strictly defined, but it has been shewn that they are ample, and might be adopted, wholly, or in part, as should be deemed expedient.

These means and resources may be recapitulated as follows, viz.

British Colonial and Asiatic Income.

Future Property.

Excess of Taxes.*

* If the general taxes, relative to the national debt, were fixed at thirteen millions *nett*, to which sum they might be reduced, simultaneously with the application of the measures now proposed and suggested; to be continued at that amount, until the final extinction of the national debt; in proportion as the principal sum of 350 millions and the annuities for lives or for terms of years were reduced, a sum, from the taxes, would become applicable to the discharge of the remaining principal.

Stock unclaimed.

The probable greater amount of the private property, than 2,500 millions.

Expiration of Annuities for lives or for terms of years, by effluxion of time.

On a review of the preceding statement, it appears, that the burthen to be borne by the combined property and exertion of the United Kingdom, amounts to one thousand one hundred and sixty-one millions and upwards, besides annuities for lives and for terms of years, amounting to two millions and upwards; equal to an aggregate principal sum, of, one thousand two hundred millions or thereabouts; and that the annual charge, in respect thereof, amounts to forty-eight millions, nearly, *exclusive of the heavy charges of collection*. The whole of the private property in the United Kingdom, has been stated at two thousand five hundred millions; it may be somewhat more or less, but a difference is not to be presumed, sufficient to vary, materially, the apparent relation of the debt to the property, which, combining the consideration of the Sinking Fund, is as one to two, or approaching thereto.

By this brief summary, it will become manifest, that the conceptions which have been disclosed, do not involve the principle of individual or personal sacrifice; it is sufficiently plain, without having recourse to analysis,

that the pressure of the debt, already, falls heavily on the proprietor: the husbandman, the artificer, all in the subordinate ranks of life, are distressed; and in a country, so knit by the social ties, what distress can afflict the poor that does not re-act upon the wealthy? the wealthy bear, not only, their own immediate proportion of the burthen, but, by re-action from those who are below them, in the scale of society, are destined, eventually, to bear the whole; they are the last to feel the whole weight of consequences, but they are the responsible members of the firm, and on them the consequences will accumulate and finally fall: the burthen is equal to fifty per cent; property throughout the United Kingdom, may be considered as mortgaged for fifty per cent.* The redemption proposed, proceeds on the calculation of a contribution of fifteen per cent. only: it may appear paradoxical, but every proprietor would, rela-

* Unless the proposition be qualified by the consideration of the proportion of the burthen borne by the public creditor, in respect of his annuity or interest expended within the kingdom: if, however, the amount of annuity and interest receivable by the public creditor, which may be supposed to be applied to the further purchase of annuities, and the amount remitted to foreigners and for *foreign expenditure by British subjects*, be subtracted from the whole sum of the public annuity and interest, and it be also considered that *domestic residence cannot be enforced*, the position assumed, even so qualified, does not vary materially.

tively, be much richer, after the alienation of part of his property, than before, and the expectation might be indulged, that he would become a member of a well regulated, and prosperous, instead of a deranged and harassed community.

These explanations have been deemed necessary to the introduction of the Draught of Declaration annexed. The nation requires immediate relief, and the form of a declaration has been preferred, because, it is more manly, quite as constitutional, and, in all respects, more becoming, that measures, comprehending the reduction, as to extent, though not in effective value, of the property of every individual, should originate with the subject, rather than with the Executive Government, on whom, this peculiar and weighty duty, cannot, fairly, be devolved, without the previous, favourable, manifestation of public sentiment and opinion; and if persons, whom the question, from extent of possession and weight of influence, more nearly concerns, should, in any instance, assemble to deliberate on the subject, the conceptions are thus presented to them in the form most convenient for that purpose.

DRAUGHT OF DECLARATION.

WE, the - - - - -
 - - - - -
 - - - - - have, with great
 anxiety, considered the state of the United
 Kingdom, on the well-being of which, we, se-
 verally, depend, in all the relations of social
 existence: we are actuated by an unfeigned
 and unmixed desire to contribute to the relief
 of the inconvenience and distress which press
 upon all orders of society; we are persuaded,
 that, clear, simple, and comprehensive arrange-
 ments, in respect of the national debt, are ne-
 cessary to that end, and, under the influence
 of that conviction, we consider it a duty
 of indispensable obligation, to declare our
 sentiments, judgment and opinion thereon:
 which we, accordingly, declare, as follows;
 namely:

1st. That, the British Empire embraces a va-
 riety and extent of territory and population;
 comprehending the means of producing great
 increase of national wealth and power, and of
 advancing private and individual comfort and
 happiness.

2nd. That, notwithstanding the possession and command of such means, the national duties and obligations are, with great difficulty, discharged, and severe and unusual pressure and inconvenience are experienced, in agriculture, in trade, and in manufactures ; by every order and class in active and social life.

3rd. That, the great weight of taxes occasioned by the present system of the national debt, is a principal cause of the existing inconvenience and distress.

4th. That, the abandonment of that system is indispensable to the full and proper exercise of the powers of this great community.

5th. That, the immediate reduction of the amount now payable by the British Nation, by way of annuity, or otherwise, annually, and the eventual complete redemption of the public debt of the United Kingdom, may be effected, without violation of the national faith, and without any dangerous or mischievous disturbance of the state of property.

6th. That, the annual sum, payable, either to the government annuitant, holder of public floating securities or to the commissioners for the redemption of the public debt, considered with reference to a principal sum of debt, is equal to a principal sum of one thousand two hundred millions or thereabouts.

7th. That, the sum payable in respect of

the national debt, including the charges of collection and management, approximates to one million, sterling, weekly.

8th. That, the levy of that sum, combined with the levy of the further sum necessary for the current purposes of the state, oppresses the industrious, injures the capitalist, and threatens the most calamitous consequences.

9th. That, the national debt is susceptible of liquidation on the basis of a contribution of fifteen per cent. on private property, including the amount of stock created in favour of the public creditor, and of all other public obligation in respect of the loan or advance of money.

10th. That, it is, therefore, expedient, that all private property in the United Kingdom, not being the property of ex-resident foreigners, in government or public annuities, be declared liable and subject to a contribution of fifteen per cent. on the value thereof.

11th. That, in the event of the adoption, by the legislature, of effectual measures for the general application of such principle of contribution, the further operation of the sinking fund would become unnecessary.

12th. That, in such event, the contribution of fifteen per cent. to be paid by the public annuitant, or other public creditor, would be, virtually, effected, by the permanent reduction of all public annuities payable to British sub-

jects, and of all other public securities, to the extent of fifteen per cent.

13th. That, the nation would be immediately relieved by that measure, from claims amounting to twenty millions, *nett*, annually, or thereabouts.

14th. That, the contribution of fifteen per cent. in respect of land, manufacturing, shipping, commercial, and other property and capital, would, further, as we apprehend, relieve the nation, from claims amounting to fifteen millions, *nett*, annually, or thereabouts.

15th. That, it would not be necessary to press for the immediate payment of the contribution of fifteen per cent. in respect of the subject matter of the preceding paragraph, because, for the term during which the same should remain unpaid, an annual payment on the amount of the respective sums remaining unpaid, might be accepted, by way or in lieu of interest, until paid.

16th. That, it appears to us, however, that, to great extent, a peculiar facility for the payment or satisfaction of such contribution of fifteen per cent. is presented; namely, in respect of all persons who are public annuitants or other public creditors, and who would also become liable and subject to the contribution of fifteen per cent., in respect of other descriptions of property.

17th. That, the contribution on account of such other property, might be, effectually and readily, made, by such persons, by cancelling an equal amount or value in public annuities.

18th. That, we apprehend, that the class of persons referred to in the preceding paragraph is numerous, and that such persons are, under the present system, in effect, paying an annuity to themselves, from their own property, under a heavy loss, by means of the expence of management, and under the more severe consequences of loss, prejudice, and inconvenience, by sympathy with, and participation in, the public and general distress.

19th. That, to assure the final and effectual relief of this United Kingdom from the disadvantages incident to a public debt, it is expedient that measures should forthwith be determined upon with a view to complete the liquidation of the debt.

20th. That, various means and resources are presented for that purpose, namely,

A contribution, for a time to be limited, in respect of property, to be derived from the British Colonies, and from British India.

The contribution, which might be levied, for a time to be limited, in respect of property, to be acquired and realized, hereafter, in the United Kingdom.

A surplus of taxes, after effecting the great reduction now *indispensably* and *immediately* required.

The expiration of the annuities for lives or for terms of years, by effluxion of time.

The probability that some part of the government debt will for ever remain unclaimed, and that the amount of property, in the United Kingdom, exceeds the sum of two thousand five hundred millions, at which sum, the same has been estimated as the basis of the 14th paragraph.

21st. That, without offering any opinion as to the expediency of having recourse to all the measures suggested in the preceding paragraph, or as to the selection of measures, should not the whole be combined, we recognize, therein, abundant means for the complete payment and satisfaction of the principal of the national debt, not provided for by the other measures recommended in this declaration.

22nd. That, whilst the measures now recommended and suggested, would be in course of operation, we anticipate that all government stock would advance to and remain at or above 100, and that the sum of one hundred pounds, invested in the purchase of three per cent. stock, would, consequently, produce an annual income; not exceeding three pounds.

23rd. That, the security of the British Go-

vernment, for the principal and interest of money, is a security, of a description, highly to be desired.

24th. That, sums of money, varying from small to large sums, are in constant course of accumulation in this United Kingdom, as well by public bodies as by individuals, which monies are the frequent subject of investment in government securities.

25th. That, in the contemplated event of the advance of all government stock to 100, we anticipate that a considerable proportion of such monies would be tendered to the British Government, on loan, without the intervention of third parties, (as in the instance of a contract for a general loan) the principal sum advanced, simply, to be secured by debentures or otherwise, at a rate of interest of three per cent, per annum.

26th. That, the application of such monies, when so lent and advanced, in aid of the liquidation of the existing debt, would, as we anticipate, very powerfully accelerate the discharge thereof, and, although a new debt would, thus, be created, the new contract would be plain, direct, and simple, unincumbered with the obligation of the present extensive Sinking Fund, and would, as we presume, at no distant period, be terminated by the entire cessation of public debt.

27th. That, we are impressed with a deep conviction of the advantages which would flow to this Empire, from the force of simple institutions; that we cannot apprehend any mischievous or dangerous consequences from the temperate and gradual, but early and complete, relief of the nation, from the present complicated system of finance; and we do, therefore, hereby express our anxious and unqualified, desire, to witness the adoption, and to promote, by our individual example, the execution of any measures, founded on a principle of equal contribution, adequate to a purpose, which, comprehending the interests, in their vital principle, of this mighty Empire, embraces the interests of the human race.

SUPPLEMENT.



SUPPLEMENT

TO THE

FIFTH EDITION.

IT has been observed, by persons for whom the Author has great respect, that a view, in detail, of the advantages to be expected from the measure suggested by this Tract, if adopted, would have added to its interest.

It is obvious, that an extensive range of beneficial consequences might be anticipated, and that the subject might be dilated into a work of much larger compass; but the desire to produce an entire, unbroken view, of the leading principles and calculations, which must decide the judgment, on this great question, has prevailed over every other consideration, and determined the Author to adhere to the arrangement, under which, he originally endeavoured to condense his conceptions.

He avails himself, however, of the publication of a new Edition, to remark:

That the proposed contribution of fifteen per cent. on the value of property in the United Kingdom, is to be considered as a composition for Duties and Taxes and other public obligations, *very much exceeding in amount*, the rate of composition proposed; OR, as a Property Tax, *of the like beneficial character*, in respect of persons to whom facilities for the payment of the composition might not be presented.

Thus :

The amount of the first and principal assessment, is estimated at FIVE HUNDRED MILLIONS and upwards*, the annual value of which, as a considerable part would be contributed in 3, $3\frac{1}{2}$, and 4 per cent. Stock, may be taken at TWENTY MILLIONS.

The general relief, consequent, immediately, upon the legislative imposition of that assessment, would be ;†

	£.	s.	d.
In respect of the Sinking Fund,	312,410,077	9	2
Funded Debt,	117,360,167	17	1
Unfunded Debt,	7,798,814	7	1
Private Property,	375,000,000	0	0
	£. 812,569,059	13	4

in round numbers, EIGHT HUNDRED AND TWELVE MILLIONS, and the annual demand,

* Page 16. † Table, p. 26.

in respect of the national debt, would be reduced, from the nett sum of FORTY-EIGHT millions to the nett sum of THIRTEEN millions, or thereabouts*, which sums, including the charges of collection†, may be taken, in round numbers, at the several sums of FIFTY millions and FOURTEEN millions.

The difference, is THIRTY-SIX MILLIONS, to which may be added the consideration of the public current expenditure, which might be expected to subside, in the like ratio of fifteen per cent., in respect of the public appointments, within the United Kingdom, and in a ratio considerably higher, in respect of all stores purchased therein, for the use of the State. If it be allowable to take the reduction, under this head at FOUR millions per annum,‡ the amount will be FORTY MILLIONS, to be remitted in relief of the country, from the ne-

* Page 27.

† The charges of collection amount to the average sum of £ 7.0s. 4½d. per cent. See House of Commons Reports. If the revenue decline, the charges of collection will constitute a higher average, in some proportion to the diminution of revenue. The sum of fifty millions above-mentioned, combines the charges of collection, on the proportion, only, of the sum of forty-eight millions, supposed to be raised by Duties and Taxes.

‡ The current expenditure, exclusive of the interest and other charge of debt, exceeds twenty-two millions per annum.—House of Commons Reports.

cessity of raising money by loan, or of interrupting the operation of the Sinking Fund, whilst part of the national system of finance, AND, IN RELIEF FROM DUTIES AND TAXES.

It will, therefore, be readily admitted, that the contribution of 15 per cent., by proprietors, possessing facilities for that purpose, and the Property Tax of 5 per cent. on the amount of the assessment, to be paid by proprietors, *not* possessing such facilities, *until convenient to pay the principal sum to be assessed*, would be met by a more considerable measure of direct and immediate relief; and it is hoped, that this statement will be admitted to be a satisfactory explanation, to the very few persons, who have objected, in general terms, that the measure proposed, is theoretical or impracticable. What objection can be urged that will not apply with equal, or greater force, to a Property Tax *in aid of the present system*?

If, indeed, it be said, that the circulation would be injuriously affected, the contrary has been shewn, pages 22 to 24: the abstraction of money, from the innumerable channels through which it would otherwise flow, to be re-issued through the medium of the Exchequer, is a forced and morbid, in place of a natural and healthy, circulation.

Or, if it be apprehended, that a sudden and injurious reduction of the value of commodities would ensue; it may be sufficient to remark, that the reduction of *price*, would proceed, not *from a market, over-stocked*, which, leaving the *cost* the same, only reduces the *return*; but from the reduction of *cost, by means of the remission of Duties and Taxes*: the cost would be less, and, *therefore*, the price would be less. The sole guard, required, would be the protection of the stock on hand, whereon duty should have been paid, either, by the return of the duty, or, by allowing a reasonable time for the consumption of that stock, before the effective repeal of the duty. Since the introduction of the system of bonding, the stock of goods, whereon duty has been paid, is not of more than moderate extent.

The progressive consequences and general effect, upon the country, will not now be enlarged upon, nor will any calculation be made, of the effect of the ultimate, entire, relief of the nation, from the burthen of debt; but the consequences, with reference to the parochial poor, may require some notice.

The cost of subsistence would be reduced by means of the general reduction of Duties and

Taxes : in such reduction, would, probably, be included, the Duties on most articles of import, used for the purposes of manufacture, and on most articles of British manufacture : in consequence, the demand for labour would be increased, and the approach, to a fair adjustment between the rate of labour and the rate of subsistence, would be facilitated. A just state of relation, in those particulars, is essential to the management and direction of the parochial poor ; if the rate of labour be below the rate of subsistence, the poor unavoidably recoil upon those in the several degrees above them, in the social scale, and the consequences become severe, and of an anxious and awful description.

The adjustment of the rate of labour to the price of subsistence, cannot be effected by direct, legislative interposition : it does not, however, therefore, follow, that a tendency to a just balance in that respect, may not be promoted, by the Legislature or by the Executive Government : if employment could be increased, and the price of subsistence, at the same time, be reduced, the number of pauper poor would decrease : on the supposition of the remission of the Duties on Salt, on the constituent ingredients of Beer, on Soap, Candles, Coals, and on some other articles, and that Bread were reduced in price ; such circumstances,

concurring with the remission of the Duties, which now narrow the demand for articles of British Manufacture, would tend, powerfully, to the reduction of the number of the poor, depending on parochial aid, and the moment would be favourable to the institution of a system, if such could be devised, to prevent the great evil of supernumerary population. On this subject, some thoughts occur to the Author, but he forbears, at this time, to communicate them, because, they can only be rendered effectual, in application, in the event of relief, in the more commanding particular, which is the subject of this Publication, and because the question of population and the poor, is of a magnitude to require more distinct consideration.

THE END.

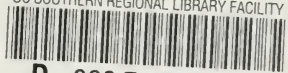
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BY THE SAME AUTHOR,

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